

MINUTES OF THE BOARD OF DIRECTORS
HOLLYWOOD PROPERTY OWNERS ALLIANCE
Thursday, December 20, 2013
W Hotel Hollywood – Strategy Room

Directors Present	John Tronson, President	Tronson Investment Group
	C. Drew Planting, Treasurer	GPI
	Monica Yamada	CIM Group, LP
	Leslie Blumberg	The Fonda Theatre
	Joseph D'Amore	Hollywood Commercial
	Mark Echeverria	Musso and Frank
	Michael Gargano	Argent Ventures, LLC
	David Green	Nederlander Organization
	John Lyons, Vice President	Avalon Hollywood/Bardot
	Jan Martin, Secretary	AMDA
	Galo Medina	Comprehensive Financial Services
Directors Absent	David Benavente	Shine America
	Mark Stephenson	Hollywood United Methodist Church
	Don Mushin	Toyota of Hollywood
	Charlie Colletta	HEI, LLC
	Leron Gubler	Hollywood Chamber of Commerce (ex-officio)
Staff	Kerry Morrison	HPOA
	Joe Mariani	HPOA
	Devin Strecker	HPOA
Guests	Jeff Briggs, JD	Counsel
	Nathan French	The Center at Blessed Sacrament
	Spencer Downing	The Center at Blessed Sacrament
	Courtney Kanagi	PATH
	Yeghig Keshisian	Office of the Mayor

I. Call to Order

The meeting was called to order by Board President John Tronson at 4:10 p.m.

II. Open Forum

III. Approval of Minutes

It was moved by Jan Martin, seconded by Galo Medina and **CARRIED to approve the minutes from the Board's November 21, 2013 meeting. 9 voted in favor.**

IV. Treasurer's Report

A. Review and approval of November 30, 2013 financial statement

Kerry Morrison presented to the board the budget report through 11/30. The cash report showed a cash balance of \$986,885, and there are still assessments receivable of \$165,567 for 2013. She pointed out that this year, through board action, we will be "zeroing out" several budget categories: the security patrol, security contingency and general contingency will be fully utilized to pay for the combination of two night-time patrol details, the video surveillance system upgrade and support to homeless outreach providers.

It was moved by Monica Yamada, seconded by Mark Echeverria and **CARRIED to approve the November 30, 2013 Treasurer's Report. 11 voted in favor.**

- B. Banking resolution:** Morrison reported that new check-signing authority would be created for the new slate of officers to sign checks. She asked for a motion granting authority to John Tronson, John Lyons, Jan Martin and Drew Planting to sign HPOA checks.

It was moved by Galo Medina, seconded by Frank Stephan and **CARRIED to authorize the new 2014 officers to sign HPOA checks. 11 voted in favor.**

V. Committee and Activity Reports

A. 2014 Committee Appointments

As President, John Tronson was tasked with appointing committees and chairs for the coming year. The following committees were announced:

Security: Charlie Colletta, chair; board members Frank Stephan, Monica Yamada, Galo Medina; at-large members Chad Lewis, Carol Massie and Derrick Malec

Streetscape and Planning: Mark Echeverria, chair; board members Don Mushin, Leslie Blumberg, John Lyons; at-large members Laura Doerges

Marketing: Jan Martin, chair; board members David Benavente, Joe D'Amore, John Lyons, Mark Stephenson; at-large members David Gajda, Keith Wyatt, Ryan Kvalvik, Brandon Mason, Chase Gordon, Jeannie Lohnquist, Chris Bonbright

Nominating: David Green, chair; board member Monica Yamada, at-large member Beth Marlis
Budget & Finance: Drew Planting, chair, Monica Yamada

B. Marketing and Communications

1. Report from Marketing Committee Meeting:

- a. **Mission:** To Make Hollywood visible and relevant. To change the conversation about Hollywood.
- b. **Review of activity log and plans for 2014:** Jan Martin reported that the committee has met three times so far, and that the meetings have been lively and entertaining, with a pretty large group of board members and constituents participating. Haines & Co. have mapped out a plan for 2014 including brand roadmapping, blogger tours, trade outreach and more. Strecker detailed the plan, reviewing the marketing matrix with the board as found in the meeting packet.

C. Security

1. Status of camera installation: Joe Mariani reported that the staff will be making a down payment for the new system at the end of this year. In speaking with Metro Video last week, Mariani stated that the vendor would begin ordering parts shortly after the funds are received.
2. Homeless Outreach year-end report: Courtney Kanagi from People Assisting the Homeless (PATH) and Spencer Downing and Nathan French from The Center at Blessed Sacrament Church introduced themselves to the Board. Kanagi and Downing described for the board the work their organizations have been doing in Hollywood, and shared some of the recent success stories they have experienced in 2013. Mariani added on to the report and showed the board how the contributions made to both agencies last year was extremely helpful in assisting both PATH and The Center in successfully helping some of Hollywood's most chronic homeless individuals and placing them in permanent supportive housing. It was recommended that the board consider a \$35,000 contribution from remaining Security Contingency funds to continue assisting outreach teams and Center staff as they work toward the goal of ending homelessness in Hollywood.

It was moved by Jan Martin, seconded by Galo Medina and **CARRIED to authorize a monetary contribution to assist PATH outreach efforts (\$25,000) and the case management services provided by The Center at Blessed Sacrament (\$10,000).**

Galo Medina asked if the board could consider a similar, but perhaps smaller contribution (\$3,000) to support the outreach provided by My Friend's Place to homeless youth in 2014. Morrison indicated that that could be considered in the new year.

D. Streetscape & Planning:

1. **Maintenance RFP:** Echeverria reported that since the November meeting, he as a member of the Selection Committee along with Don Mushin, Elizabeth McDonald, Carol Massie, evaluated four proposals received from ABM, Cleanstreet, Premiere Street Services, and Street Plus. Each committee member rated the proposals on a variety of criteria, including experience, management qualifications, responsiveness, risk management, HR policies, cost parameters, etc.

The committee then conducted interviews with three vendors on Dec. 4th and continued their deliberations the following day. Since that time, they have had extensive conversations with each vendor, including a lengthy meeting with Cleanstreet on December 20th. Given that conversations are ongoing, the Committee would like to ask the board for a 90-day extension of Cleanstreet's contract to assess Cleanstreet's performance and ensure that the most qualified vendor is selected. It was noted that the Sunset & Vine BID Board approved the 90-day extension at their meeting on Dec. 10th.

It was moved by Mark Echeverria, seconded by Monica Yamada and **CARRIED to extend the maintenance contract with Cleanstreet until March 31, 2014.** 11 voted in factor.

2. **Trash consolidation:** Morrison reported that she has been assisting the owners along the southern portion of the EaCa alley in consolidating their trash since the parking lot area where their dumpsters were housed was reclaimed by a new property owner. The group is considering a variety of options including a bag pick-up service or consolidating their dumpsters on the parking lot on the north end of the alley. HPOA staff will continue to keep the Board informed of their progress.
3. **Sharkey's Alley update:** Joe Mariani reported that he had received word that the owner of the Security Pacific building at the NE corner of Cahuenga and Hollywood is proceeding with plans to install a gate to protect the alley, which has become a magnet for trash and dumping and graffiti. It was pointed out that the board had authorized a suspension of the weekly pressure washing and

cleaning of the alley earlier in the year because the alley was receiving a disproportionate share of CleanStreet's attention.

It was moved by Monica Yamada, seconded by Joe D'Amore and **CARRIED to resume regular pressure washing in the Sharkey's alley once the gates have been installed to protect the alley.**

4. **Community Plan Update:** Besley referred to an article in the meeting packet, reminding the board that we are dealing with this. The key issues in the judge's argument against the plan is that it was inconsistent with the city's general plan. Besley said she would keep the board apprised of the progress as this moves through the courts. Tronson request that the ruling be e-mailed out to board members.

VII. New Business

1. **Recommended bylaws amendments:** Kerry Morrison reported that while the Nominating Committee was conducting its work to recommend a slate of officers, while consulting the bylaws, an ambiguity arised with respect to how a mid-term vacancy might be treated in an officer position. To that end, and in consult with HPOA counsel, Jeff Briggs, a wording change was recommended to reduce ambiguity. Two additional small amendments were also packaged for board consideration:

It was moved by Galo Medina, seconded by Monica Yamada and **CARRIED to:** (11 voted in favor)

- a. **Amend Section 5.6 of HPOA Bylaws to address process associated with appointing a mid-term vacancy in an officer position.**
- b. **Amend bylaws (Section 1.1) to reflect correct address of HPOA office**
- c. **Amend bylaws (Section 4.9 (c)) to include Treasurer in list of officers who can call for a special meeting**

2. Association D&O Insurance

Morrison briefed the board on attempts to secure an excess D&O/EPLI policy since the last board meeting when the board authorized an expenditure of \$9,000 to bind an excess \$3M policy. Morrison had distributed in advance to the board a memo dated 12/18/13 which described events since that meeting. Essentially, the day after the 11/21/13 board meeting, our insurance broker, Rick LaRue, informed staff that the policy actually did not "follow form" which means that the excess policy was not identical to the primary policy. He apologized for this error, and indicated he had mis-read the quote. Morrison proceeded to contact the HPOA's insurance consultant, Steve Romine, and alert the Executive Committee, and David Green (the maker of the motion).

Staff's recommendation, guided by Romine, was as follows: (a) To not bind this policy, because it is deficient in the sense that it only offers an excess policy for D/O and excludes EPLI; (b) to work with an alternative broker, identified by Steve Romine to see if we could find an excess policy that "follows the form" of the primary policy.

Over the next several weeks, the alternative broker was attempting to secure a policy, while Insurance West was also working the market. On December 6, the second broker indicated that he was unable to secure a quote, unless we were willing to have the new company write our general liability *and* D/O policies.

In preparation for today's meeting, Insurance West secured a new quote for consideration by the board: a \$3M excess policy, underwritten by Navigators, which follows form, at a cost of \$13,660.

The board discussed at length the situation, and Jeff Briggs also provided some insight into the purposes of D&O/EPLI insurance. The board elected not to purchase this excess policy. It appeared that the best course of action would be to convene a subcommittee in the new year to shop out the entire book of business to see if this

policy could be cancelled, and new policies secured at a more economical cost. The board members who were interested to participate on such a committee included: David Green, Galo Medina and Drew Planting.

VIII. EXECUTIVE SESSION

Staff, guests and honorary board members were excused from the meeting, with the exception of Kerry Morrison.

A. Review and approve staff organization, marketing /business development priorities in conformance with the 2014 budget approved at the November, 2013 meeting.

Morrison presented to the board a staff restructuring proposal intended to position the Association to achieve objectives associated with the new direction designed by the marketing team, Haines & Co. The plan involved a workforce reduction, to eliminate a position no longer required in the Association. It also involved the reclassification/promotion of one staff member, and a division of duties to remaining staff accommodate the new directions. She summarized the changes as follows:

Eliminate office manager position. Functions formerly assigned to this position will be outsourced, absorbed by existing staff or assigned in part to temp labor or part-time labor. In furtherance of this, Morrison presented a "Severance Agreement and General Release" letter prepared by an HR consultant, and reviewed by an HR attorney. She presented a severance payment recommendation, predicated upon the five years the employee had served in that position. The board made some adjustments to the recommendation and settled upon the following:

Hourly Pay: \$23.00
Weekly Base Pay: \$920.00
Service Dates: December 9, 2008 to December 26, 2013
Years of Service: Five (5)
Severance Pay: 10 x \$920.00 = \$9,200
Total Sum for Medical expenses: \$2,291.21
Total Payment Amount: \$11,491.21

It was moved by Leslie Blumberg, seconded by Drew Planting and **CARRIED to support the restructuring plan as presented, and to approve the Severance Agreement and General Release letter, for a total severance of \$11,491.21.**

Morrison also reported that, within budget, she will be promoting Joe Mariani to assume new responsibilities associated with business and economic development, marketing the District, and providing support to area commercial brokers and property owners in representing their properties.

B. Review of year-end compensation strategy

Morrison left the meeting.

Board members were provided with historical information related to staff compensation and year-end performance bonuses.

It was moved by Monica Yamada, seconded and **CARRIED to authorize an allocation of \$30,000 for year end bonuses for the staff and to award \$15,000 of that amount to the executive director and allow the executive director to award the remaining \$15,000.**

IX. Next Meeting: The next meeting is scheduled for January 16, 2014.

X. Adjournment: The meeting was adjourned at 6:15 p.m.